

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF LOUISIANA
SHREVEPORT DIVISION

SHAWN WILLIAMS

CIVIL ACTION NO. 22-cv-4996

VERSUS

JUDGE DONALD E. WALTER

AMERICAN SECURITY INSURANCE CO

MAGISTRATE JUDGE HORNSBY

MEMORANDUM ORDER

Shawn Williams filed this civil action based on an assertion of diversity jurisdiction, which puts the burden on him to set forth specific allegations that show complete diversity of citizenship of the parties and an amount in controversy over \$75,000. The allegations in the complaint are sufficient to meet this burden except with regard to the citizenship of defendant American Security Insurance Co.

The complaint alleges that American Security is “a foreign insurance company,” but it does not contain any specific allegations as to whether American Security is a corporation, LLC, or other form of organization. If it is a corporation, it is deemed to be a citizen of (1) the state in which it was incorporated and (2) the state where it has its principal place of business. 28 U.S.C. § 1332(c)(1). To establish diversity jurisdiction, a complaint or notice of removal must set forth “with specificity” a corporate party’s state of incorporation and its principal place of business. “Where the plaintiff [or removing party] fails to state the place of incorporation or the principal place of business of a corporate party, the pleadings are inadequate to establish diversity.” Joiner v. Diamond M Drilling

Co., 677 F.2d 1035, 1039 (5th Cir. 1982). The Fifth Circuit requires strict adherence to these straightforward rules. Howery v. Allstate Ins. Co., 243 F.3d 912, 919 (5th Cir. 2001).

If American Security is an LLC, partnership, or other form of unincorporated entity, its citizenship is determined by the citizenship of all of its members, with its state of organization or principal place of business being irrelevant. Harvey v. Grey Wolf Drilling Co., 542 F.3d 1077 (5th Cir. 2008). “A party seeking to establish diversity jurisdiction must specifically allege the citizenship of every member of every LLC or partnership involved in a litigation.” Settlement Funding, L.L.C. v. Rapid Settlements, Ltd., 851 F.3d 530, 536 (5th Cir. 2017). If the members are themselves partnerships, LLCs, corporations or other form of entity, their citizenship must be alleged in accordance with the rules applicable to that entity, and the citizenship must be traced through however many layers of members or partners there may be. Mullins v. TestAmerica Inc., 564 F.3d 386, 397-98 (5th Cir. 2009); Rodidaco, Inc. v. Chesapeake Energy Louisiana Corp. 2018 WL 3551525 (W.D. La. 2018).

Plaintiff must file an amended complaint that identifies American Security’s type of organization and specifically alleges its citizenship in accordance with the rules set forth above. In another suit filed by counsel for Plaintiff, the complaint alleged that American Security is a Delaware corporation with its principal place of business in Georgia. Burdin v. American Security Insurance Co., et al, 22-cv-3261, Doc. 1. If those allegations are accurate, Plaintiff should include them in the amended complaint. Plaintiff must file the amended complaint by **October 20, 2022**.

THUS DONE AND SIGNED in Shreveport, Louisiana, this 6th day of October,
2022.